Raymond B. Fosdick

A Philosophy for a Foundation

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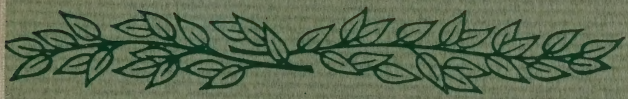

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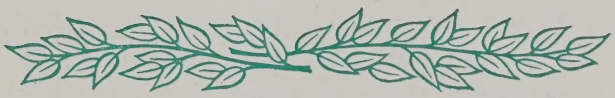

ON THE

FIFTIETH ANNIVERSARY OF

THE ROCKEFELLER FOUNDATION

1913 · 1963

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Those of us who remember the early days of The Rockefeller Foundation – and few of us are left – recall the air of enthusiasm, even of excitement, with which the work began. Here was a vast sum of money dedicated to the welfare of mankind throughout the world. How should it be used? What targets should it aim at? Even at the first meeting two or three trustees who felt they knew the answer expressed it in sweeping terms which today would undoubtedly be challenged. "Disease," they said in a memorandum, "is the supreme ill of human life, and it is the main source of almost all other human ills– poverty, crime, ignorance, vice, inefficiency, hereditary taint, and many other evils." Acting on this principle, the Foundation's first program director, Dr. Wickliffe Rose, launched his daring enterprise against hookworm in fifty-two countries lying in six continents, and in twenty-nine islands of the seas. "Keep your eye on the goal," Rose used to say. "Never mind the incidentals." And his word "incidentals" included nationalisms, geographical frontiers, and political differences and difficulties.

The trustees followed this first amazing step with another one – a program aimed at "the development of a comprehensive system of medicine in China." Out of it grew the Peking Union Medical College, "the Johns Hopkins of China," the outpost of medical teaching and research in the Far East, a symbol of high quality and objective approach. Even in those early years the overriding needs of Asia for modern medicine were a challenge to the trustees.

So the Foundation was launched on a program of public health and medicine which with few deviations it followed exclusively for fifteen years and which it continues, in considerably modified form, as part of its current interests.

BUT BEHIND THIS program lay a philosophy – or rather a development – which has to be explained if the early decades of twentieth century philanthropy are to be understood. In 1909, four years before the creation of The Rockefeller Foundation, Mr. John D. Rockefeller, Sr. committed to paper certain ideas which he had been considering on the subject of charitable foundations – Benevolent Trusts he called them. He

seemed to imply that this was a new conception, a contemporary development, which, as he said, "will eventually be worked out." What apparently he did not realize was that this general idea of creating a fund for the benefit of present and future generations goes back to the early days of civilization. We know, for example, that Plato set aside certain revenues for the perpetual support of his Academy, an institution that survived for nearly 900 years; and the Ptolemies endowed the great library in Alexandria which lasted until 640 A.D., when it was finally destroyed by the conquering Arabs.

In fourteenth century England, as Henry Allen Moe has pointed out, William Langland, in *The Vision of Piers Plowman,* illustrated in interesting detail the use to which such perpetuities were apparently being put, and urged the presumably wealthy merchants of his day to gain remission of their sins and a happy death by the fruitful employment of their fortunes:

> and therewith repair hospitals,
> help sick people,
> mend bad roads,
> build up bridges that have been broken down,
> help maidens to marry or to make them nuns,

find food for prisoners and poor people,
put scholars to school or to some other craft,
help religious orders, and
ameliorate rents and taxes.

Two hundred years later, in 1601, came the great Elizabethan statute of charitable uses, which, with its eloquent preamble defining the proper objects of charitable interest, has influenced the decisions of the courts of Great Britain and the United States for nearly four centuries. And yet, except for its emphasis on "schooles of learning, free schooles, and schollers in universities," this preamble is oddly reminiscent of the worthy causes outlined in *The Vision of Piers Plowman,* including "repaire of bridges" and "mariages of poore maides."

With the turn of the twentieth century the whole climate of opinion relating to philanthropy had begun to change. The interests of "the weak, the poor and the unfortunate" – to use the old phrases – were not neglected, but a broader concept had begun to develop, based on the idea that it was not enough to deal with symptoms and consequences; the *causes* of suffering and inequity represented a far greater challenge.

It was to this point that Mr. Rockefeller directed his attention in his comments in 1909. Eight years before, in 1901, he had founded The Rockefeller Institute for Medical Research, not to cure the sick, but to study the diseases which made them sick. So in 1909 his central theme was the necessity for research and the scientific approach. "The best philanthropy," he said, "involves a search for cause, an attempt to cure evils at their source."

THE PHENOMENAL GROWTH of American foundations in the twentieth century, beginning in the third and fourth decades, is unmatched by any similar development in Western Europe or in other parts of the world. Perhaps economic conditions are in part responsible for the diversity; there simply has been more money here than there has been abroad. But this is not the whole story: the American foundation was based on a new idea, a new concept of human welfare, a faith in man and in his possibilities for progress. The modern foundation as we know it today is an impressive social invention. As the Carnegie Corporation said, in its fiftieth anniversary report

two years ago: "Wealth is nothing new in the history of the world. Nor is charity. But the idea of using private wealth imaginatively, constructively, and systematically to attack the fundamental problems of mankind *is* new."

That tax considerations or selfish advantage have played some part in the later stages of the evolution of foundations is probably true, and we need have little sympathy for those who have misused the name for improper or questionable purposes. But several of the larger foundations were created before the question of tax advantage had any relevancy or meaning; others have been scrupulous in adhering to high principles of public policy; and to lump the good with the bad and impute unworthy motives to donors generally is, it seems to me, to disparage the sensitiveness to inequity and the warm-hearted generosity which are part of the climate of America. The tradition of philanthropy crossed the Atlantic with our forefathers, and we in our day have given it a new meaning and a new objective.

Insofar as any individuals were responsible in setting the pattern of this development, I believe the credit should go largely to two men: Mr. Carnegie and Mr. Rockefeller. When Carnegie

in 1889 wrote his article, "Wealth," he enunciated a doctrine that was to have wide repercussions: "The man who dies rich dies disgraced," and "The day is not far distant when the man who dies leaving behind him millions of available wealth, which was free for him to administer during life, will pass away unwept, unhonored and unsung." One of the most cordial letters of congratulation which Mr. Carnegie received came from Mr. Rockefeller. "I would that more men of wealth were doing as you are doing with your money," he wrote, "but be assured your example will bear fruits, and the time will come when men of wealth will more generally be willing to use it for the good of others."

Mr. Rockefeller's comments in 1909 ended on a note that was almost evangelical in tone, apparently in the belief that his remarks were being addressed exclusively to men of means. "You would not place a fortune for your children in the hands of an inexperienced person, no matter how good he might be. Let us be as careful of the money we would spend for the benefit of others as if we were laying it aside for our own family's personal use. Directors carry on these affairs in your behalf. Let us erect a foundation, a Trust,

and engage directors who will make it a life work to manage this business of benevolence properly and effectively. And I beg of you attend to it *now*, don't wait."

Mr. Rockefeller's conclusions, of course, reflected years of frustrating experience with private giving. They reflected, too, the years of advice which his blunt-speaking lieutenant, Frederick T. Gates, had constantly and confidentially been giving him about the use of his fortune. On one occasion Gates wrote to him (he was always writing him letters although he saw him almost daily, and many of his sentences ended with exclamation marks):

> The things to be done become obvious, although by no means easy. They are to ascertain:
>
> *First*, what are the prominent lines of human need and human progress? It is a well-studied but difficult field of inquiry.
>
> *Second*, can men be found competent to administer these trusts now and in successive generations?
>
> *Third*, what elements of human progress suggest themselves as of sufficient practical importance as to invite specific legal endowment?

These were the germinating ideas and influences that brought to the American scene, at the

beginning of the century, the foundations established by Mr. Carnegie and Mr. Rockefeller. Following on this development in a few years' time came a proliferation of foundations of every size, purpose, organization, and program. They were called by all sorts of names – foundations, endowments, trusts, institutions, associations, societies, corporations, commissions, and unions – and their objectives ranged from small, parochial, personal, and often intimate targets to conceptions that would help men everywhere to satisfy not only their physical needs, but their social, mental, and emotional needs as well. Probably this diversity is in the end a healthy aspect of the phenomenon for donor and recipient alike. It provides a channel for generosity; it generally – but not always – widens the scope of personal giving; generally, too, it develops standards of efficiency and objectivity, and more often than not it stretches the horizons of philanthropy, so that we today are thinking far more creatively than an earlier generation did about the great problems of human need and development.

If wisely designed, a foundation enjoys a freedom of action possessed by few other or-

ganizations. It has no stockholders to satisfy and no constituents to appease. It has no alumni, no faculty, and no student body whose conflicting views must be harmonized. It represents no particular interests – religious, political, or private; its responsibility is to the public as a whole. It can be free of entanglements and restrictions, and while it is often under pressure from those who are seeking its grants, these pressures can generally be resolved in a spirit of good will.

But foundations have their handicaps, too, particularly if by charter they are tied to purposes that may become increasingly irrelevant. It is interesting to note that when in 1910 Mr. Rockefeller's attorney was arguing before a Congressional committee for a charter, he used these words:

> The charities of the fourteenth century are not the charities of the twentieth century. The charities of the twentieth century will not be the charities of the twenty-first century, and it is eminently desirable . . . that the dead hand should be removed from charitable bequests, and that the power to determine to what specific objects they should be applied should be left in the hands of living men who can judge of the necessities and of the needs in the light of the knowledge which they have as contemporaries . . . .

The wisdom of living men will always exceed the wisdom of any man, however wise, who has long since been dead.

Sometimes in an attempt to guard against a policy of "scatteration," even the foundations whose charters permit wide latitude of choice will themselves adopt rigid categories of activity, which, if too long continued, can hamper imaginative effort. But in most of the large foundations and in many of the small ones the value of flexibility is now well understood, and there is an increasing awareness of the danger that programs representing an outmoded yesterday will retard our ability to face the problems of today and tomorrow. It requires an alert leadership to determine whether certain activities which have been comfortably ensconced in a foundation program no longer need support, either because other sources have been opened to them – government sources, for example – or because they have been superseded by fresher concepts and methods.

Mr. Carnegie's massive library program, later taken over by the Carnegie Corporation, is an excellent illustration of the point. For its time it was a brilliant idea, tenaciously executed, and it

served a deep human need. But it carried within itself the seeds of a new flowering, and in the course of years it was adopted by the communities. Today free public library service is a familiar part of the American landscape. Similarly, for over a decade The Rockefeller Foundation supported the epidemiological outpost of the League of Nations at Singapore. It was a regional headquarters for the prompt and accurate reporting of disease conditions in the Far East. "A competent agency constantly on the watchtower," Wickliffe Rose called it; and he added: "It is a task which no national government can undertake." Today the World Health Organization and the countries involved are spending more money for this type of activity than the Foundation ever dreamed of or ever possessed. In my time I have witnessed the complete change-over from private to public support in wide areas of administration and research, particularly in the fields of public health and the natural sciences. Times and patterns change, and the foundations must keep step.

As we have seen, Mr. Gates in the early days raised the question whether competent people

could be found to administer foundations "now and in successive generations." But as has been said – by Carlyle, I think: "When History calls, men answer." And in retrospect it seems to me that they were giants who answered in those early years. I remember men like Dr. Henry S. Pritchett, the president of the Carnegie Foundation for the Advancement of Teaching, and Frederick P. Keppel, the head of the Carnegie Corporation, both of whom I knew well. And I remember with special affection two intimate friends who served The Rockefeller Foundation: Dr. George Vincent, who was president from 1917 to 1929, and Dr. Wickliffe Rose, who was director of the International Health Division and then president of the General Education Board, another Rockefeller-endowed foundation.

Both were men of outstanding ability and vision. Vincent was urbane, brilliantly witty, and skeptical of the thunderous absolutes which characterized the utterances of Mr. Gates. I remember a board meeting where the discussion of a particular project by the trustees had been unaccountably acrimonious and scratchy. When Vincent, who was presiding, came to put the motion, he said: "All in favor please say *meow*."

In the laughter which followed, any lingering differences were forgotten. And yet with all his wit and sophistication, Vincent was a man of simple tastes who hated display and ostentation and was alert to the temptation of wealth to be pretentious. He never would go first-class on a European train or take a luxury boat across the Atlantic; nor would he ever attend a ceremony like the dedication of a laboratory or a hospital built by Foundation funds. "It is not for us to be conspicuous on these occasions," he used to say.

Wickliffe Rose was modest to the point of shyness and completely selfless. Yet he was at home in any kind of intellectual field, and he had a mind of amazing clarity. I remember the meeting of the Foundation in the early twenties when he brought forward a recommendation for a grant to the International Health Organization of the League of Nations. In those unhappy years the country was torn with dissension over the question of the League, and to many of the trustees of the Foundation it seemed unwise to become involved in the dispute. But Rose stood his ground. "This is a question of principle," he had said to me before the meeting. In his quiet tones, and with no gestures, he began to describe

to the trustees the kind of world we were living in – an interrelated world in which disease stopped at no boundaries and respected no flags – a world in which political differences were irrelevant in the face of human suffering. In the silence that followed his argument the motion was made and seconded almost in whispers, and was unanimously carried.

It is this kind of leadership that in the end makes a foundation, but there are one or two other principles which perhaps should be stressed. High on the list of priorities, in my belief, is the need to conceive and develop foundation programs in terms of intellectual adventure, of hospitality to new ideas. This was the approach of Mr. Rockefeller and Mr. Gates, fifty years ago, although they expressed it in different terms. Without such a pioneering spirit a philanthropic organization fills no particular purpose except to relieve the general public of responsibility for supporting worthy causes. The needle grinds round and round in the same groove, and there is no attempt to keep abreast of the challenges of a rapidly changing world. A foundation concerned

in such narrow terms misses its unique opportunity. Its real place is "close to the growing edge of things." Its capital is risk capital. It can afford to take chances. It can blaze trails, find new methods, explore new techniques, pioneer in areas where public funds cannot readily or quickly go, and where other private funds are inadequate. A fresh approach to the complex of viruses, or ample funds placed strategically in the development of the world's food resources, or in the solution of an interrelated problem, the population explosion, or support of promising scholarship in studies of the social and economic problems which are poised as a threat to our generation, or creative assistance in the relatively neglected area of the humanities – these are examples of the response that can be made to the urgent human needs of our time.

Of course some of these fields are bound to be controversial; controversy attaches to many types of intellectual undertaking. But if they are to be true to their unique opportunity, the American foundations must help to maintain the tradition of objective scholarship – the tradition of fearless inquiry, the unintimidated search for truth, wherever the truth may lead. It would be a vast

disservice to America and to the whole world if our foundations, through pressure or timidity, were forced to follow more conventional patterns, or were frightened away from controversial fields. For us there must be room for excellence even if it is unorthodox, room for nonconformity, room for diversity of opinion. This is the tradition of America and this is the source of its strength and spiritual growth.

Dr. Heald of the Ford Foundation recently gave his answer to the question of what foundations are for. "They should justify their existence," he said, "in qualitative terms by giving money in ways that others cannot give. They must take the risks that governments, individuals, and other institutions cannot assume. They must seek new ways of attacking basic human problems. They must invest in experiment, innovation and demonstration." And I would add this as part of the prescription: in a world with such challenging problems as we face, they must not be timid or afraid.

If wisely administered, free to determine its own function in society and to act boldly in carrying out its plans, a foundation can deeply affect the advancement of human welfare. But it is not

an easy task. Years ago, Dr. Pritchett, head of the Carnegie Foundation, remarked that "somebody must sweat blood with gift money, if the effect is not to do more harm than good." One of the difficulties is that social agencies, like all human agencies, have a tendency to exalt the machinery of organization above the purpose for which the organization was created. Business concerns are subject to exactly the same tendencies, but, as Pritchett pointed out, in a business organization there is an ever-present test of efficiency lacking in those agencies that deal with intellectual and social products. A business enterprise is established to make money, and when earnings dwindle, search is made to determine what is wrong. No such automatic criterion exists to test the efficiency of a social organization. "It is always difficult to know whether such an organization is really paying dividends or not."

Foundations face the necessity of constant self-examination and reappraisal to ensure their adaptability to conditions that time is constantly altering. The story is told – probably apocryphal – that years ago on the eastern edge of the great prairies a sign was erected to warn travelers. "Choose your rut carefully," it said. "You will

be in it for the next 500 miles." This is a good warning for foundations, too.

THERE IS ANOTHER warning that should be stressed. A foundation is not only a private philanthropy; it is affected with a public interest and is in a real sense a public trust. Exempt from taxation, it enjoys a favored legal status. The grants which it makes are matters of public concern, and public confidence in the foundation as a social instrument must be based on an adequate understanding of its purposes and work. A foundation, therefore, cannot escape the responsibility of giving the public – preferably at regular intervals – complete information of its activities and finances. There should be a full disclosure not only of its appropriations and grants, but of the securities which it holds in its portfolio and all the transactions relating to its invested funds. Moreover there is a growing opportunity for what might be called "interpretative reporting" – a discussion of what a particular foundation is really trying to do, an attempt to explain the nature of its interests against the background of broad human need – in other words,

an effort to meet its public obligation to make its work and its purposes clearly understood.

This has for years been the policy of practically all the larger foundations, and many of the smaller ones as well. But for other foundations it has too often been a slow development; and it is disquieting to note that in the series of volumes dealing with American foundations published by the Raymond Rich Associates, the Russell Sage Foundation, and other agencies, how often information about the activities and finances of particular foundations is unavailable.

This doctrine of public responsibility was preached year in and year out by Frederick Keppel when he was president of the Carnegie Corporation. "These *silent* trusts!" he used to exclaim. "The question is not whether their funds are put to useful purposes, but whether public confidence in the foundation as a social instrument . . . may not be endangered; for as St. Paul admonished the Corinthians: 'If one member suffers, all suffer together; if one member is honored, all rejoice together.' "

This doctrine is still valid today. Indeed with the proliferation of foundations, it has become an urgent aspect of policy. The public is entitled to

know the facts – all the facts – about the operation of foundations. And most of them, I believe, have nothing to hide, nothing to cover up; certainly they have nothing to be ashamed of. They have a proud record, and that record should willingly be made accessible to public scrutiny. In no lesser way can the essentially public nature of the responsibilities of foundations be adequately demonstrated.

ONE FINAL POINT may not be amiss at a moment like this. A becoming modesty is a prerequisite for a foundation – even for a foundation that has behind it fifty years of distinguished service. In the end it is not money that counts; it is *men*. The contribution of money is always secondary in importance to the work of men and women of creative minds and devoted lives. The best that a foundation can aim to do is to put its support in the right place at the right time. The most that it accomplishes is to expedite the development of ideas which, without help, might be retarded. "An extra engine put on to help the train over a stiff grade" – this was Dr. Wallace Buttrick's colorful description of the function of a

foundation. Certainly the end result of a foundation grant is creditable or otherwise, depending on the idea or the man behind whom the support is placed. There is no substitute for brains; the critical factor is always *men* – imaginative men with fertile ideas.

I have always been proud of the answer which The Rockefeller Foundation gave in 1952 to a Congressional investigating committee (the Cox committee) when it was asked in a questionnaire for a detailed statement of its accomplishments.

Before answering the query [said the Foundation] it may be useful to comment on the delicate question of claiming credit, on behalf of a philanthropic foundation, for work which is accomplished with foundation assistance. The Rockefeller Foundation has been reluctant to seek or to claim credit and would deeply regret any necessity for doing so by way of self-justification. The Foundation has sought to promote the well-being of mankind throughout the world; in doing so, it has sought ways and means of giving aid and encouragement to others who have the ability and opportunity to accomplish significant things. The Foundation can use its funds to help construct a giant telescope, but it is the genius of the men who know how to use the instrument which pushes back the frontiers of human knowledge. We

can provide funds for fellowships, but it is the high quality of the work of the fellows themselves which measures the contribution to the well-being of mankind. . . . While the Foundation accepts full responsibility for its own actions, it does not wish to assert claims of a sort which would not accord with the spirit of our collaboration or with the tradition of modesty wisely established by our founders and past leaders. We are ready to state what we have done, but much of the assessment of its worth must be left to others.

It has been said that the trustees and the staff of a foundation must be on their guard against illusions of omniscience, or of omnipotence or both. Certainly in all circumstances the question of financial support involves considerations of tact and good taste. One of the surest ways of losing credit and gratitude is to lay claim to them, and many institutions, not only foundations but governments, have this lesson to learn.

THIS YEAR we celebrate the fiftieth anniversary of the creation of The Rockefeller Foundation. In terms of achievement it has been a worthy performance, acted out against a background of two world wars and the deepening tragedy of the

twentieth century. As one who had some degree of contact with the organization during almost this entire period, I can testify personally to the idealism and the high sense of dedication which have characterized the work from the beginning. We have made our mistakes – all foundations, all human agencies, make mistakes – mistakes of judgment, mistakes due to inadequate information or to lack of infallibility in foreseeing the development of men and institutions. But ours has been a creditable record, and we can be proud of it – proud of the faith that was kept even in days of discouragement, proud of the long years in which we tried to translate into practical purposes our ideal of serving the welfare of mankind around the world.

But I would not want to end on a retrospective note. The past has its purposes in terms of inspiration and experience, but it is the future that commands us. I was born in a generation whose problems – national and international – were relatively simple, but I have spent my life in an era of turbulent and explosive change – change so incessant that in 1963 the world is in the midst of a vast technological and social revolution. It has affected our ideas and our institutions, and we

talk today about things which Mr. Rockefeller and Mr. Gates, fifty years ago, could not have understood. Even our vocabulary would have been meaningless to them – words like "warhead" and "overkill" and "astronaut" and "population explosion," and phrases like "satellites in space" and "nuclear retaliation" and "the incineration of the human race."

All the phenomena which have accomplished these massive changes would have been equally incomprehensible fifty years ago – the unprecedented growth of the world's population, the frightening upsurge of nationalism, the billions spent in preparation for war, the enormous budgets for international aid – all of them involving sums so vast that Carnegie and Rockefeller would scarcely have been able to add them up.

It is to this incredible new world that our philanthropic foundations have to adapt themselves. The choices which half a century ago Wickliffe Rose and George Vincent had to make between competing projects seem, in retrospect, to have been unencumbered by anything except a desire for excellence. Today's choices have to be geared to this new moment in time when we cannot know with any degree of certainty

whether the human race stands on the verge of utter catastrophe or on the threshold of a creative era of shining promise.

We have to assume, I think – that is, if we are endowed with the sturdy optimism of our forefathers – that it is the latter of these two possibilities which we shall face, and insofar as anything that we do can determine the event, our aim must be to make the dream come true. But every year the task grows more perplexing, and the possible points of contact which private funds can make with fast-moving human problems become more difficult to discover.

It may be true that in this era of gigantic public expenditures, where most of the crucial decisions lie in the hands of governments, our approach to the difficulties of our time will have to be tangential; we may not be able to play any conclusive part. But more than ever I am convinced that our relatively small assets, if used creatively and imaginatively, can affect the whole atmosphere of our generation. They can maintain standards of excellence. They can help to enrich the work and lives of promising scholars and leaders in fields which public funds cannot easily or wisely enter. They can support projects behind

which there is as yet no marshaled public opinion. More than anything else, perhaps, they can help, through research and demonstration, to relieve the strains and stresses of this dynamic age —by forward steps to increase the world's resources, for example, or by bringing to the less developed nations the educated leadership by which alone they can raise themselves to the economic and social levels of more fortunate peoples.

Certainly these opportunities and challenges lie before us if we have the vision to see them, the courage to act upon them, and the skill to develop them. On this fiftieth anniversary we can reassure ourselves that over the years The Rockefeller Foundation has not been lacking in these qualities.

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